

VII. Property Loans

Property Loans

Policies

General Policy

Property which otherwise would be out of service for temporary periods may be loaned to government agencies and educational institutions. Property provided to contractors is not considered loaned (see Chapter IX, "Government-Furnished Property").

Loaned items are not excess property and remain the property of the U.S. Government. They may be used for official purposes only. The borrower assumes responsibility for safeguarding them and is held financially liable for missing, damaged, or destroyed property.

Only the property custodian may initiate the loan of items under his or her stewardship, and only property that would otherwise be out of service for a temporary period may be loaned. All loans must be justified in writing.

Records of loaned property are maintained in PAIRS, and in paper files maintained by property centers and Property Management (PM). Loaned property is included in all LANL inventories.

Note: Property taken home by authorized employees or transferred temporarily to other Laboratory organizations or workers is not considered to be "loaned." See Chapter IV, "Transporting Property," or

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"Property Assignment" in Chapter III, "Property Control."

Cross-references:
41 CFR 109-1.5104
Joints VII

Conditions for Loans

Loans may be made for the following purposes:

- DOE-approved programs
- the director's outreach program
- research of benefit to the government
- disaster relief in situations involving loss of life or property

Note: Certain loans, such as those to foreign governments and educational institutions, require special handling. Refer to the "Special Loans" section below.

Agreement and Terms

Each domestic loan will be covered in advance by a signed DOE Personal Property Loan Agreement, Form 4420 (see Appendix) that details the terms of the loan, including:

- loan period
- delivery time
- payment of transportation costs
- conditions of use
- inspection requirements

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- purpose of loan (what the property will be used for)
- the responsibility of the borrower for the property's condition upon its return

Property cannot be loaned to organizations outside of the DOE until a Memorandum of Understanding (MOU; see Appendix and below) is approved by DOE.

The initial loan period will not exceed one year. Up to five annual extensions are allowed with approval from the line manager.

Exception: Loans to colleges and universities generally may be extended only twice, for a maximum loan period of three years. Permission to extend these loans further must be obtained from DOE/AL.

Procedures

Initiation of Loan

DOE Recipients

The property custodian notifies the property administrator (PA), who prepares and signs a Shipping Manifest (SM; see Appendix) marked "Loans" and processes it normally.

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Other Recipients

For loans outside of DOE, the custodian initiates the loan request by drafting an MOU. The MOU must include the justification for the loan, explaining the details of:

- the purpose of the loan (what the property will be used for)
- the tangible benefit to be derived by LANL

The MOU must be sent to the Loan Office for review, which may forward it to the Laboratory Counsel for further guidance. When approved, the MOU is returned to the requester, who obtains the line manager's signature and has the PA process an SM for the specific items to be loaned. The requester returns the MOU with the SM to the Loan Office.

The MOU is forwarded with the agreement for signature by the borrower (see "Processing of Agreement" below). When returned, the MOU, the agreement, and a copy of the SM are forwarded to DOE/LAAO for final approval before PM approves the SM.

Processing of Agreement

Upon receipt of an SM (and MOU, if any), the Loan Office confirms that the requesting custodian has stewardship over the named item(s). It then issues a Form 4420 and sends it to the borrower for signature.

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The signer must have sufficient authority to bind that organization to the Laboratory's terms and conditions.

When returned, the Loan Office has the PM group leader or designee sign the agreement, then:

- records the loan in PAIRS
- notifies the PA that the item(s) may be shipped
- signs and releases the SM to Shipping

Additions

Additional items may be shipped under an existing agreement number and MOU, if any. But a Form 4420 listing the new items and bearing the same number as the existing agreement must be signed by the borrower, BUS-6, and DOE/LAAO prior to shipment.

Extensions

At least 30 days prior to the end of the loan or extension period, PM sends a Follow-Up Document (FUD; see Appendix) to the property custodian, with a copy to the PA. The FUD asks whether:

- the property should be recalled
- the loan should be extended

or

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- the loan should be closed because the property has been returned already

The custodian must return the completed FUD to PM before the expiration date. Extensions must be approved by the line manager. PM then notifies the borrower by recall or extension letter or closes the loan as appropriate. An extension letter includes an affidavit confirming that the borrower still has the item and stating its condition (see Appendix, Loan Extension Letter). The affidavit must be signed by the borrower and returned within 14 days.

If the FUD is not received by PM within three weeks, a second notice is sent with a copy to the PA. This notice indicates that if the FUD is not returned within a week, the item(s) will be recalled to the Laboratory (see below). If this occurs, the custodian and PA are notified through copies of the recall letter.

Closing Loans

Recalls

The Laboratory retains the right to cancel loans and recall loaned property with 10 days' notice. The PA notifies PM, who sends a request for the property to the borrower. The PA is responsible for notifying PM if the property is not returned within 60 days of his or her initial notification.

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Returns

The borrower may terminate the loan at any time by returning the property to the Laboratory in accordance with the terms of the agreement. PM is notified by receipt of a Receiving Report (see "Receiving Documentation" in Chapter II, "Acquisition").

End of Extensions

At the end of the allowable extension period (five years from the original loan date in most cases, three for loans to colleges and universities), the line manager will review the loan package for final determination and return it to the property custodian. The custodian notifies PM of the status of the loan via the FUD. By the loan termination date set by the line manager, the property must either be returned or disposed of according to Laboratory policy.

Expirations

The property custodian must notify PM promptly if loaned property has not been returned to the Laboratory by the return date listed on the Form 4420 and an extension has not been granted. PM then contacts the borrower to arrange the property's return, and notifies the PA.

Special Loans

Educational Loans

Colleges and universities may receive property loans

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for collaborative research purposes *only*, meaning projects the Lab and the institution are working on jointly. These loans also require approved MOUs, Form 4420s, and SMs. The MOU must include a statement from the loaning organization explaining in detail the purpose of the loan and identifying the specific research project.

Firearm Loans

Loans of certain types of firearms or accessories to state or local government agencies may require prior registration with the Bureau of Alcohol, Tobacco, and Firearms (ATF) of the Treasury Department. These include but are not limited to loans of:

- machine guns
- silencers
- short-barreled rifles and shotguns
- shot pistols

In such cases, the loaning property center must submit and receive approval of an ATF Form 5, Application for Tax Exempt Transfer and Registration of a Firearm. A copy of the approved form must be received by PM before it can release the SM for removal of the firearm. The same form must be used by the borrowing agency prior to return of the loaned item(s).

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Loans to Foreign Entities

Policy

PM must get prior approval from DOE for all loans to foreign governments and organizations.

41 CFR 109-1.5104(b)

Procedure

Upon receipt of a signed Form 4420, PM submits the agreement to the DOE/AL Organizational Property Management Officer (OPMO). It must be accompanied by a memorandum specifying:

- the purpose of the loan
- the name of the individual at DOE headquarters who must approve the agreement
- the type of export license required to ship the property
- a copy of a validated license, if required

ALPMI 109-1.5103(b)

The OPMO then forwards the request to DOE headquarters. PM may release the SM to the Customs Office for shipping of the property only after receiving an approved agreement through the OPMO.

Exception: *Hand-carried items intended to remain in the custody of DOE or contractor personnel do not*

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require loan agreements, unless they will be left unaccompanied at the foreign destination for more than 90 days. However, in either case their transfer must comply with ALPMI 109-43.309-6.